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RUEHAK/AMEMBASSY ANKARA PRIORITY 3152
RUEHBJ/AMEMBASSY BEIJING PRIORITY 0967
RUEHTV/AMEMBASSY TEL AVIV PRIORITY 0286
RUEHKO/AMEMBASSY TOKYO PRIORITY 0841
RUEHDE/AMCONSUL DUBAI PRIORITY 0076
RUEHIT/AMCONSUL ISTANBUL PRIORITY 1415
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RUEAIIA/CIA WASHDC PRIORITY
RUCPDOG/DEPT OF COMMERCE WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RHEFDIA/DIA WASHDC PRIORITY
RUEKJCS/JOINT STAFF WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
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C O N F I D E N T I A L SECTION 01 OF 02 ASHGABAT 001398

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STATE FOR SCA/CEN, EEB, INR/B

E.O. 12958: DECL: 12/27/2017

TAGS: [PGOV](#) [PINR](#) [ECON](#) [SOCI](#) [TK](#) [TX](#)

SUBJECT: TURKMENISTAN: CHALIK RECONCILED BUT DRAWS DOWN;
BERDIMUHAMEDOV DESCRIBED AS AN ILL-SERVED REFORMER

REF: A. ASHGABAT 1345

[1](#)B. ASHGABAT 1126

[1](#)C. ASHGABAT 1014

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Classified By: CHARGE RICHARD E. HOAGLAND FOR REASONS 1.2 (B), (D)

[1](#)1. (C) SUMMARY: During Turkish President Gul's recent visit to Turkmenistan, President Berdimuhamedov and Turkish businessman Ahmet Chalik reconciled, and Chalik will finance and build a major mosque near Dashoguz. Chalik will maintain his energy interests in Turkmenistan but is mostly withdrawing from the construction business. Chalik's senior representative in Turkmenistan described President Berdimuhamedov, whom he has known for 10 years, as a reformer at heart who is ill-served by inexperienced officials who are still mostly trapped in the mindset of the Niyazov era. END SUMMARY.

[1](#)2. (C) Charge met December 27 with Aziz Chengal (protect throughout), senior representative of Chalik Group in Turkmenistan. A front-page photograph in the December 26 "Neutral Turkmenistan" featured President Gurbanguly Berdimuhamedov meeting with Ahmet Chalik, Chairman of the Chalik Group, once a long-time favorite of former President Saparmurat Niyazov but more recently nearly persona non grata in Turkmenistan. Under Niyazov, Chalik had established Chalik Textiles, Chalik Energy, and Chalik Construction/GAP Insaat. Chalik was a close confidante of Niyazov who at one time named him Deputy Minister of Textiles and conferred Turkmenistani citizenship on him. However, under Berdimuhamedov Chalik lost insider status and his business affairs became turbulent (refs B, C).

RECONCILIATION AND THE GIFT OF A MOSQUE

13. (C) During Turkish President Gul's December 6-8 visit to Turkmenistan (ref A), Berdimuhamedov and Chalik reconciled. Chalik is personally and politically close to both President Gul and Prime Minister Erdogan. Chalik accompanied Gul and Berdimuhamedov to the northern city of Dashoguz, where Gul asked Berdimuhamedov to pray with him at the nearby Najmeddin Kubra Mausoleum, a UNESCO World Heritage Site that is visited by Muslim pilgrims from throughout the greater region seeking miracles. Gul announced Turkey would build a grand new mosque at the site, designed by famed Turkish architect Hilmi Senalp, that will accommodate 1,000 inside and 3,000 in the courtyard. The new complex will also include a conference center and guesthouse for scholars and a pavilion to seat 1,000 for religious meals. Chalik will build the complex, and will personally fund the construction of the mosque "as an act of piety," according to Chengal.

BUT ENOUGH IS ENOUGH

14. (C) Despite the Berdimuhamedov-Chalik reconciliation that Gul reportedly facilitated, Chengal said Chalik has decided it's time to move on, primarily because it is impossible to do business according to international standards in Turkmenistan. Chengal said the Chalik Group will continue stay as involved as possible in energy in Turkmenistan, will maintain but not grow its textile interests, but will mostly phase out its construction business. It will no longer bid on construction tenders but will "respond only when invited."

According to Chengal, Chalik is turning his business attention more and more to Turkey, where he just bought a share of a major media group for \$1.1 billion, and to the Gulf, where Chengal will open a new Chalik Group Corporate Headquarters in Abu Dhabi in January, hoping to get in on Abu Dhabi's \$10 billion infrastructure spurt. Chalik is also

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increasingly looking for investment opportunities in Israel.

15. (C) During a long dinner in Istanbul September 19, Chalik told Charge he believed Russia was largely responsible for trying to force him out of Turkmenistan in favor of Russian companies. In fact, Chengal said, the problem was with other Turkish companies that wanted to increase their share in Turkmenistan's market that Chalik had dominated under Niyazov and started a whispering campaign against Chalik. Chengal said he and a team of 20 Turkish and Turkmen lawyers worked three months -- mainly with the Ministry of Construction and the State Customs Service and finally with Deputy Prime Minister Nazarguly Shagulyyev, drawing on the company's documentary archives, to restore the Chalik Group's reputation.

BERDIMUHAMEDOV: AN ILL-SERVED REFORMER

16. (C) Chengal praised Berdimuhamedov, whom he has known for 10 years, as "someone who can change his mind." He described Berdimuhamedov as a reformer at heart, extremely detail-oriented, a perfectionist with a quick temper, but who doesn't hold a grudge after minor flare-ups.

17. (C) Chengal lamented that Berdimuhamedov is not well served. Chengal recounted he was recently in a meeting with the president when he contradicted one of the president's comments. One of Berdimuhamedov's advisers reportedly barked at him to leave the room, but the president said, "He can stay. I make comments, but I want expert advice. You should be more like him." Chengal added, "This is Berdimuhamedov's greatest problem. Hardly anyone here is qualified to give him sound advice because their mindset is still where it was 15 years ago." That's why, Chengal said, Deputy Prime Minister/Foreign Minister Rashit Meredov has now become one of Berdimuhamedov's closest advisers: "At least he has a degree of international experience and isn't afraid to grab his opportunity."

¶8. (C) Chengal said Berdimuhamedov wants highly detailed proposals that will lead to concrete quick results. "He thinks there are probably 10 steps to get to the goal when, in fact, there are probably 100." He glances at proposals submitted to him, but then turns them back to his presidential staff and to appropriate ministries for detailed analysis and final recommendation. "But the system is log-jammed," Chengal said, "because almost no one has the appropriate analytical skills, and, even more important, because almost everyone is still afraid, remembering the Niyazov era, to make decisions for fear they will be wrong decisions that will lead to personal disaster." (NOTE: We would also add that the cultural tradition of telling the boss only what he wants to hear is powerfully strong here. END NOTE.)

¶9. (C) COMMENT: We have little doubt Chengal painted the most positive picture of Chalik's travails in Turkmenistan, but it's clear there has been a Berdimuhamedov-Chalik reconciliation. Chengal's description of Berdimuhamedov and how his government operates -- or doesn't -- rings true to us. END COMMENT.
HOAGLAND